

## STATE OF THE CITY OF COVINGTON, KENTUCKY - JANUARY 31, 2012

Good evening and thank you all for being here.

Commissioners Carran, Casper, Frank and Masters, thank you for asking me to take on this charge as mayor; thank you for promoting open, honest and respectful dialogue about the challenges the city is facing; and thank you for the support, engagement and collaboration which have led to the substance of this state of the city address and **our** plan of action to make Covington a Great City!

Since I took the oath of office 99 days ago, everyone asks me “How’s it going?” And their comments are about equally split between “Congratulations” and “Condolences.” But universally folks are optimistic about change and the need for change. And they always add, “Let me know what I can do to help.” More about how you can help later

You might be wondering how I was drafted to take on the role as Mayor. My involvement with the city began 13 years ago when then Mayor Denny Bowman asked me to lead a commission to review the city operations. I told him then, and I made a promise to the 20-person team that put thousands of hours of volunteer effort into the study, that I wouldn’t let the report gather dust on a shelf. Unfortunately, because there wasn’t enough political will to tackle some of the more sensitive issues, of the 90 recommendations with over \$5 million in annual savings, only about \$1 million was implemented.

In considering this appointment, I reflected on my personal cancer journey nearly 20 years ago. My journey has given me a perspective that I value every day. It instills in me a sense of urgency about getting things done and helping others now. I often say “life’s too short” so take advantage of every opportunity because you never know if it will be there later. That is why I was willing to accept this opportunity as mayor **now**. Because I love the Cov! I even have a t-shirt that says it.

I came into this role with open eyes and ears. I know we are facing many challenges—some would say we have a crisis. We have faced many of the challenges for years. These challenges will keep our city from achieving greatness if we don’t face them now. Greatness may seem impossible to those who cannot dream, or who don’t see the potential in our citizens, our employees, or yes, even our leadership. I do see the potential, and so do my fellow commissioners.

But it is not up to just the mayor and commissioners and the city employees to make Covington a Great City. It’s up to all of us! Before I get into how we’re going to do this, let me ask how many of you have heard of the book Good to Great? To be honest, I don’t often read books on management theories. But this is an interesting book about companies that, although they were considered good in their time, did something fundamental to change their future. One such story is about Kroger and compared to A&P.

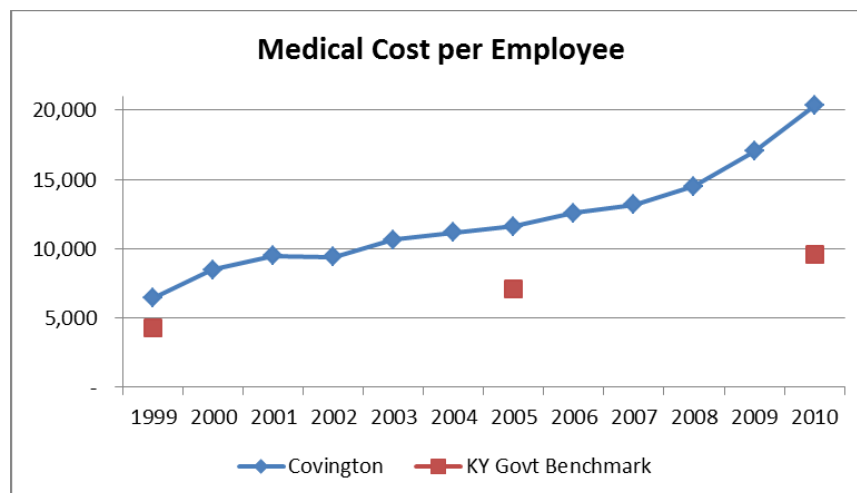
Both Kroger and A&P were old companies heading into the 1970s. Both companies had nearly all their assets invested in traditional grocery stores. Both companies had strongholds outside the major growth areas of the United States. Both companies knew the world around them was changing. Yet one of these two companies confronted the brutal facts of reality head-on. That company completely changed its entire way of doing business. The other company stuck its head in the sand. For them, it was business as usual. The bottom line is that Kroger confronted the facts in a disciplined manner; A&P did not. Kroger now has grown to over 2,500 stores and 300,000 employees nationally. A&P has less than 100 stores today.

## **THE BRUTAL FACTS**

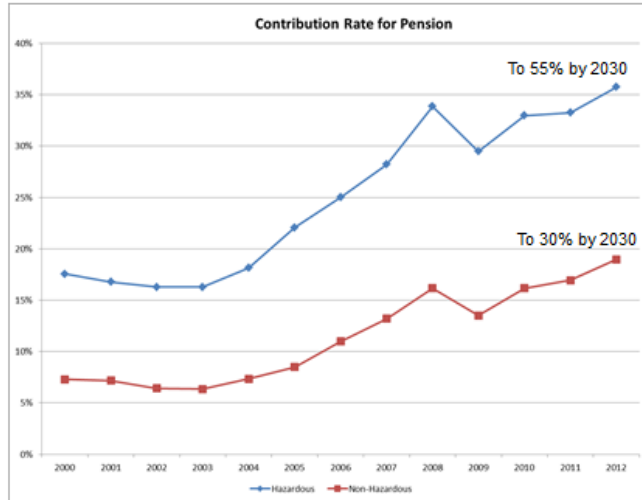
So let's start by confronting the brutal facts about Covington. Understanding government finances is a challenge, but the bottom line is real simple. We have been spending more than we are taking in. I'm not saying we're broke, but if city government were a business or a household, we would be in real trouble.

Here are ten major, long-term problems we all are facing:

- 1) Health care costs – They have been escalating at a 12% compound annual growth rate over the last 12 years. The health plans for our union employees are way out of the market even for the governmental sector in that they currently have no deductibles or co-insurance payments. Non-union employees have had a deductible since 2007. In 1999 one of the recommendations of the Scheper report was to implement some basic managed care features that would help to align the interests of the city and our employees. The annual premium cost at that time was about \$6,450 per employee. In 2010 the average cost per employee had increased to \$20,338 as compared to the average for the governmental sector in Kentucky of \$9,562. This current plan is not sustainable.

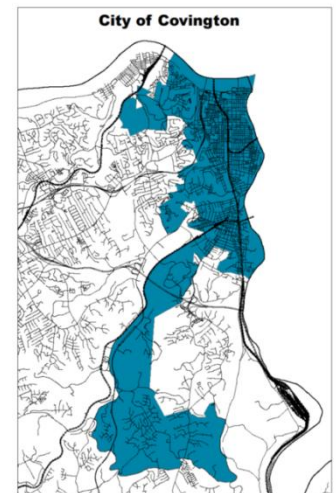


- 2) Pension costs – A second major budget issue is soaring pension costs. This is due to a number of factors, including increased life spans, the significant increase in health care costs and much lower interest rates. The pension plan is controlled by the state and funding rates are set in Frankfort. The cost of this benefit has escalated over the last 12 years. The annual funding is projected to grow to 55% of salary for hazardous duty employees by 2030, and nearly 30% for non-hazardous duty employees. That rate then will need to be maintained for decades to come to fund

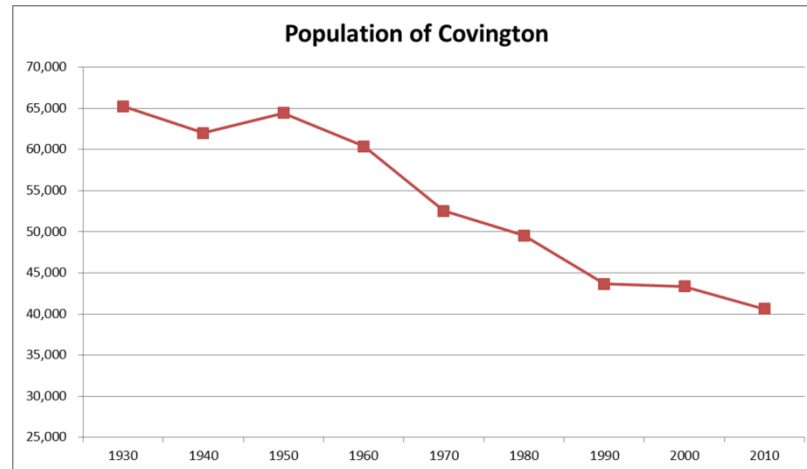


this growing liability. The private sector recognized this problem years ago, and now the overwhelming majority of plans nationwide have switched to contributing a fixed percentage of an employee's salary each year. The employee now is primarily responsible for making the investment decisions and taking on the long-term risk. In 2011 the average contribution to pensions in the private sector for defined benefit plans was just under 8% with the overall rate for all retirement plans at around 11%. Obviously, this is an issue that must be addressed in Frankfort. I have discussed this with Mayor Gray in Lexington and Mayor Fischer in Louisville. It is affecting the financial well-being of all cities in the Commonwealth.

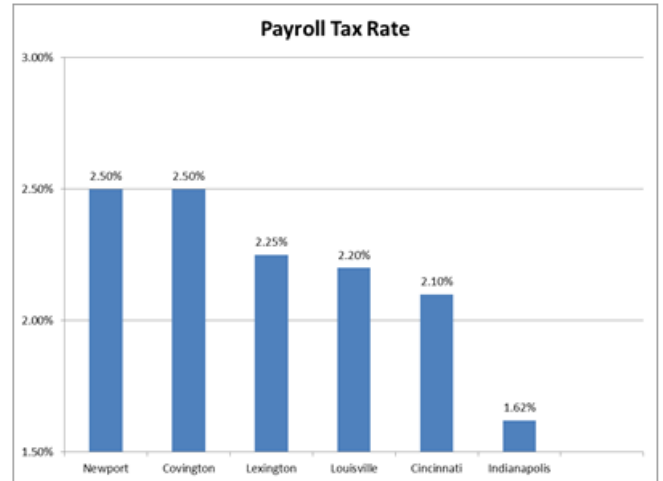
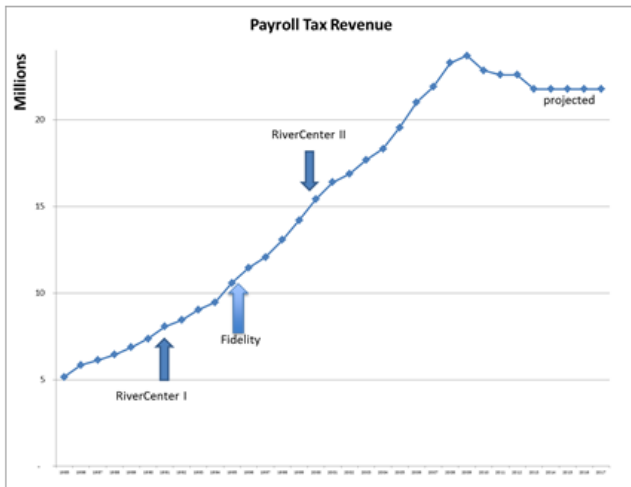
- 3) Geography – Let me say that I believe we have a very safe city, and I respect and appreciate the professionalism of our police and firefighters. They are among the best! The City of Covington though is long and narrow, which presents a real challenge to providing public safety. They are challenged to provide coverage throughout our city on a cost effective basis. In looking at cities our size, the average cost of police and fire protection per capita was \$479. But for Covington, it was \$657. That is 37% more, a difference of \$7.2 million a year, a cost borne by Covington taxpayers.



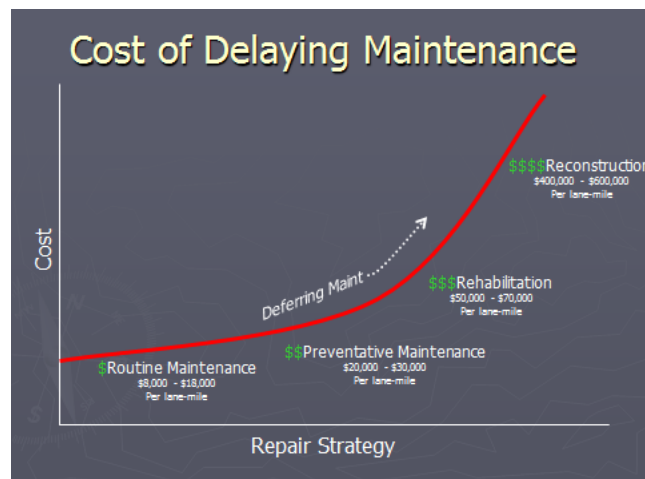
- 4) Population – In the most recent census, the population in Covington has dropped to just over 40,000, down about 5% in the last 10 years. I was reading a book recently about Covington in the 30's, and it mentioned the population was about 65,000, not including South Covington. We need to reverse this trend! Our focus needs to shift somewhat to investments that improve the quality of life for our citizens. We need to enhance the variety of housing opportunities in the city which will ensure growth in our residential base.



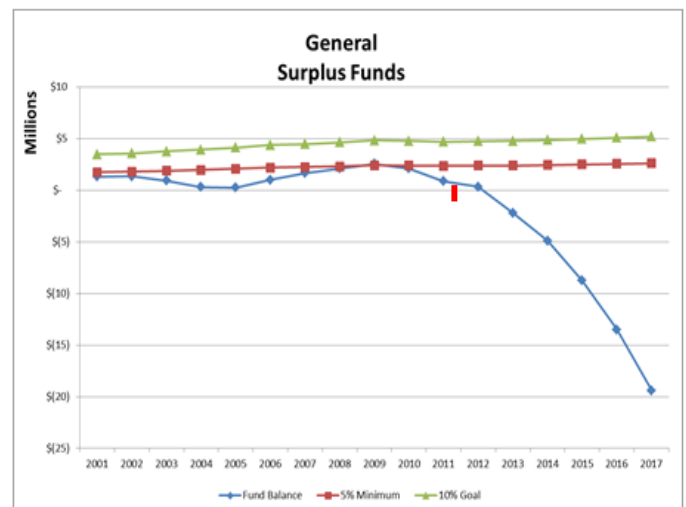
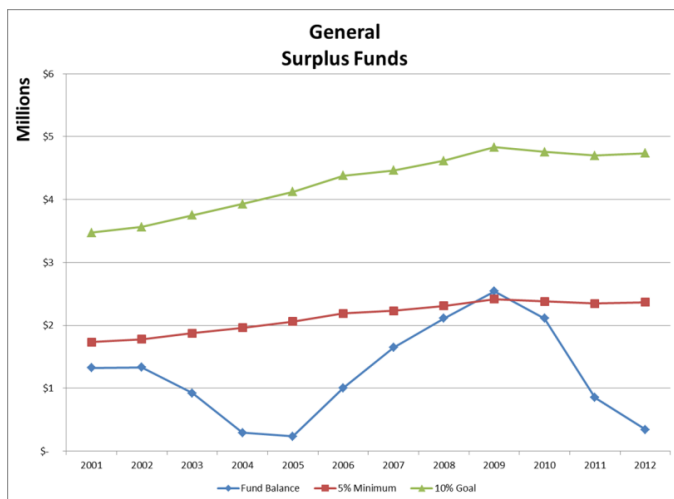
- 5) Revenues – One of the primary sources of revenue for the city is the payroll tax. For many years we continued to grow new jobs. As you can clearly see in the graph below, the opening of RiverCenter I and II plus the move of Fidelity to Covington in the mid-1990's accounted for much of the growth in payroll tax revenues up to 2009. But in the last several years, we've seen that trend reverse. And as you know, we just lost two major employers who moved across the river. This will impact our already troubled bottom-line by about \$1.2 million per year. And if you think we've lost our last business to our sister city to the north, you only need to know that Cincinnati has a 2 million square foot glut of office space. Moreover, its payroll tax rate is 2.1% vs. our rate of 2.5%. Our payroll tax rate is capped at \$106,800, which may be an attraction for highly-compensated business leaders. But the 2.5% rate is high for the majority of employees. The rates in Lexington, Louisville and Indianapolis are similarly more competitive than Covington. Newport has the same rate, and frankly many of our same problems. The issue of white collar job loss is very serious, and promises to reverse the success that Covington has experienced over the past twenty-five years; unless we are able to come up with a solution.



- 6) Infrastructure – You’ve heard the line “Robbing Peter to Pay Paul.” We’ve been robbing the necessary investment in our infrastructure in order to balance our budget. The 5-year capital improvement plan for the city totals about \$32 million. What is disturbing about these costs is that they escalate significantly if repairs are not addressed in a timely manner. As the graph illustrates, the cost of maintenance grows substantially if it is not addressed in a timely manner. For example, it costs about \$13,000 per lane mile for routine maintenance but \$60,000 per lane mile for rehabilitation, and \$500,000 per lane mile for reconstruction. We have increased our funding for such costs in the current general fund budget to \$1.5 million. This amount is inadequate to keep pace with this growing liability. We no longer can kick this can down the road, if we even have a road to kick it down.

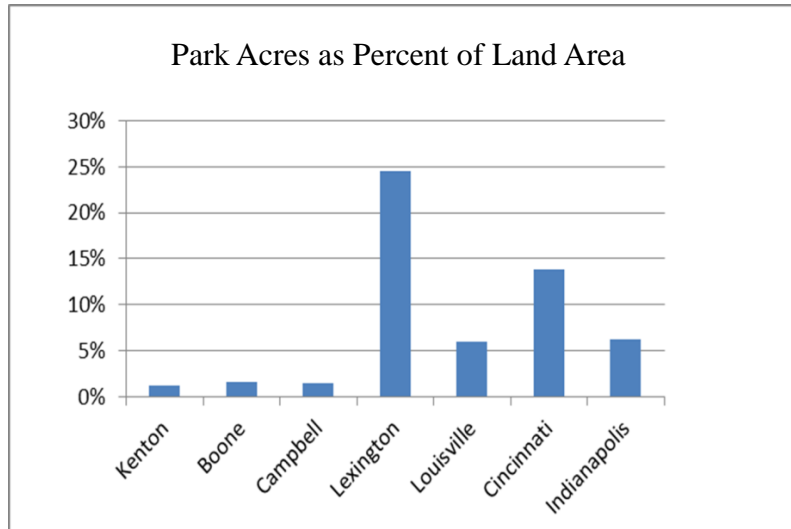


- 7) Evergreen clause in Union Contracts – We recognize that employees have the right to self-organize and bargain collectively. Covington has three collective bargaining units. I have met with the city’s union leaders. I like them; they are good people. They want what everyone wants, reasonable pay and benefits. Since becoming Mayor, I have learned that a major stumbling block in the contracts is what is commonly referred to as the “evergreen clause.” This clause says that all terms and conditions of an existing contract shall continue in effect until a new contract is approved. The evergreen clause was intended to maintain the status quo while we worked out issues. That sounds reasonable; however, the evergreen clause has a different effect. It is not conducive to positive change for either the city or the unions. It harms the city and the unions. Attorneys tell us the evergreen clause may, in fact, be unconstitutional. The ultimate question is what is in the best interest of the city, its citizens and the city’s employees? We need an alternative dispute resolution mechanism when the city and its unions cannot agree on an issue. I think a binding arbitration system is a good option. That is for the benefit of the city and its employees. There is a bigger picture here, and it’s about the long-term viability of the city and its employees.
- 8) Surplus Funds – Our cash reserve has declined steadily over the last couple of years (blue). The minimum level suggested by Government Finance Officers Association is 5% of the operating fund budget (red). The target for a healthy city is 10% (green). As you see in the graph, we are well below this range. And, in the most recent 5-year forecast by our finance department, if we do nothing but sustain the increases resulting from health care and pension costs with flat payroll tax revenue, the funding gap widens to over \$20 million.



- 9) State and Federal funding – So who thinks that state and federal funding for Covington is going to increase in the years to come? Anybody? The stark reality is we are not alone in facing a serious financial challenge. The headline last week about Governor Beshear's budget for the next fiscal year was "Cut, Cut, Cut." We alone must fix our long-term financial problems. We cannot rely on Frankfort or Washington to bail us out.

- 10) Green Space – The amount of parkland in Kenton County as a percent of total land area is about 1.5%. Devou Park, located in Covington, accounts for nearly 40% of the total. Regional cities that we compete with for new jobs and residents have significantly more green space—Lexington (24.6%), Louisville (6.0%), Cincinnati (13.8%). To be attractive to new residents and businesses, as a region, we need to invest more in green space.



### **FORMULA FOR SUCCESS**

Yes, these are major challenges that we face. There's a saying "Never waste a good crisis." Well we've got a humdinger! So what are we going to do – what's our formula for success? The answer is in the very initials that identify our city – **CVG**. **Watch our video:**





## Courage

- We need to have **Courage** to face these real challenges head on. The **Courage** to change.



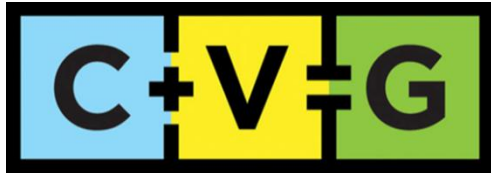
## Vision

- We need to look internally and outside our boundaries for solutions. We must have a **Vision** for “best of class.” We can’t look in the rear-view mirror for our **Vision** as more of the same will not fix the problems of today and the future.



## Growth

- **Growth** which will lead to **Greatness!**



Growth can come if, and only if, we make the hard choices and stick to our plan. We need to focus on growth that will last. Growth in residents, growth in innovation and growth in small businesses. These will lead to an increase in our quality of life and will make this community “A Great City.”

Perhaps you are thinking this all sounds good but how are you really going to make this happen?

## **CVG – 10 POINT ACTION PLAN**

So let's talk specifics—here is our **CVG – 10 Point Action Plan**.

1. **We will** build a stronger public/private partnership in part by gathering more direct input from the community in a number of ways, including:
  - Forming a Business and Community Advisory Board. This board will consist of top leaders with considerable investment in the viability of Covington.
  - Meeting with each of our 19 Neighborhood Organizations. In the coming months, we will seek their input and support of the **CVG** Plan.
  - Continuing to call on our top 100 businesses. My fellow commissioners and I began this outreach several months ago to listen to what you believe are the biggest impediments to growth.
  - Working more closely with the Covington Business Council, Latonia Business Association and Mainstrasse Village Association to solicit feedback from the thousands of businesses in the city.
  - Meeting with the Youth Commission to get the perspectives and ideas of the young folks living in our city.
  - Establishing a special email address. Effective today, our citizens will have an opportunity to express their opinions about our plan by e-mailing their comments and concerns to [CVGvoices@covingtonky.gov](mailto:CVGvoices@covingtonky.gov).
2. **We will** conduct an independent review of each and every department within the city. We have already received proposals from a national firm for areas where the volunteer expertise may be hard to find. In hiring such a firm, we will be able to examine how other cities have solved their most difficult challenges. Having said that, it is important to note that for the Scheper report, many of our recommendations originated from Covington employees. From the meetings and conversations I've had with employees over the last three months, I know there are many great ideas that have been constrained for reasons of cost or political realities. But I assure you, this is a new day and every clear and logical voice will be heard. The target for completing these independent reviews is June 30, 2012, leaving time to push for implementation by the end of the year.

We promise transparency with regard to the findings. After discussing the recommendations with staff, the commission and our Advisory Board, we will publish them on our website and invite you to comment. In order to help pay for these independent reviews, I pledge \$15,000, or roughly half of my mayor's salary, and promise to raise the balance of funds in the private sector.

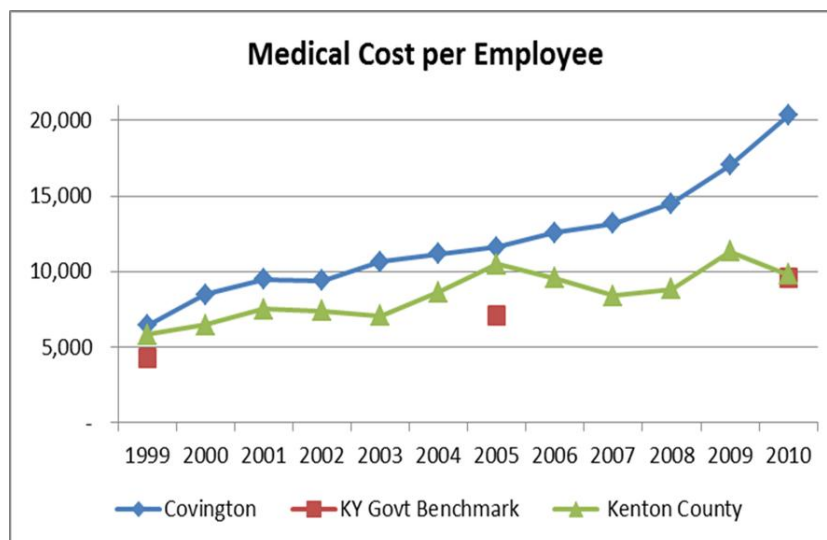
3. **We will** complete the union negotiations. All three unions, which account for about 80% of the city's employees, have been without a new contract for over one year. I'm not faulting either side, but one of the reasons these discussions historically have taken so long is the evergreen provision. I previously mentioned that I have met with representatives from each of the unions. I believe they understand the serious issues we

are facing. I also believe the representatives are willing to sit at the bargaining table and resolve the differences. The key elements to new contracts need to include:

- Deductibles and co-insurance features to our health plan
- Education and wellness programs related to the new health plan
- Fair compensation, and
- A dispute resolution mechanism

I am willing-with the support and endorsement of the city manager and my fellow commissioners-to join the discussions and try to accelerate a fair resolution of the current outstanding issues. I believe we will get it done in the next sixty days.

Getting our healthcare costs to a reasonable level is the lynchpin of this plan and I'm confident we will get there. You can look to the example of Kenton County which was following a similar path of cost escalation in the early 90's, as shown by the green line in this graph. But in 2005, they confronted their brutal facts and implemented a new plan with deductibles and co-insurance payments, and you can see the results have since been relatively flat, and in 2010, hit the benchmark. We can do it, too!



4. **We will** examine all expenditures from a starting point of zero for the fiscal year budget starting July 1, 2012. Rather than just looking at what could be cut or added to the actual expense for the current year, we need to consider every expenditure as an investment. If it isn't required for regulatory or legal purposes, or it doesn't pay a dividend to our citizens or businesses above the cost, then we should eliminate that item. We should be able to consider some preliminary results from the independent reviews as we develop the next budget.
5. **We will** think regionally and consider shared services or privatization if there is significant cost/benefit without impacting public safety. One such measure that has been studied multiple times over the years is dispatch or 911. Each time, the conclusion

is the same. Consolidation will save money without jeopardizing public safety. We are the only county in the state with three different dispatch providers.

Multiple systems can cause uncertainty in identifying which emergency service should respond. Since the majority of calls come from cell phones, oftentimes there are hand-offs from one provider to another to get to the appropriate jurisdiction. Hand-offs add time, and in an emergency, time is of the essence!

From a cost perspective, the software for each of these systems needs to be upgraded periodically. For example, Covington upgraded its software in 2011 at a cost of \$1 million. This upgraded system has the capacity to handle not only the rest of Kenton County, but it could handle the dispatch needs of Boone and Campbell Counties as well. I applaud the efforts of the three county judge executives who are considering a long-range plan to potentially consolidate all dispatch services.

This is an issue that cannot be ignored any longer.

So far I have been talking about ways we can cut costs or improve services. Now let's focus on actions that will help us grow our revenues.

6. **We will** find a way to optimize the value of the nearly 300 properties the city owns. Many of these properties actually have a negative value in that they are vacant and costing the city thousands of dollars to maintain. We have already inventoried the properties. We are developing plans and strategies together with the Catalytic Development Fund, the Center for Great Neighborhoods, and private developers to ensure the highest value to our citizens. We also will consider our need for more green space and how some of these vacant properties, in conjunction with the various neighborhood organizations, could convert some of these blighted buildings and lots into pocket parks, urban farms or even a dog park.

It is important, however, not to use the proceeds of one-time sales or transfers to increase spending in the general fund. Instead, we intend to allocate the proceeds of any sale of city property to our infrastructure needs or in one-time development projects that will bring in long-term revenues.

7. **We will** make it much easier to do business with the city. From our calls, we have learned that this is a problem many encounter with Covington - too much red tape. We are going to change that! Accordingly, we have already formed a "barrier removal team" consisting of staff and representatives from the community to look at the process of doing business in the city. This cross-organizational team has already started meeting and their mission is to look at ways we can simplify the way we do business. The feedback I've received is that the members recognize there is a problem and they are excited about finding innovative solutions. Once again, we will share the results of their actions in the months to come.

8. **We will** form a marketing team to better tell the story of how Covington is changing. I have already received an enthusiastic response from several talented individuals volunteering to be on this team. For example, Mary Zalla, who lives in Covington, was recently named CEO of Landor, the multi-national branding company. Mary has not only volunteered to serve on the marketing team, but her company, Landor, provided the template for this presentation as well as the idea of CVG! I wish I could take credit, but it was Mary and several Landor employees who also live in Covington that brainstormed on short notice and provided this branding idea for free! By the way, Landor is the primary marketing firm used by a little company across the river by the name of Procter & Gamble. Several of her teammates are here this evening, so let's give Mary and her team a round of applause.
9. **We will** strive to reduce our payroll tax rate in order to enhance our competitive position in the region. We have heard it from our large employers and small businesses alike that our payroll tax rate is too high. While it may not be a significant factor for some, it is an impediment to recruiting businesses from out of our region. We do have incentives for new companies willing to relocate, but they may not be broadly known. So let me state the basics - for every company willing to relocate to Class A office space in Covington with at least \$2 million in annual payroll. We will provide a 10-year incentive of 1% of the corresponding new wages for that period of time. To encourage even more interest in this program, we will eliminate the minimum payroll requirement for the balance of 2012.

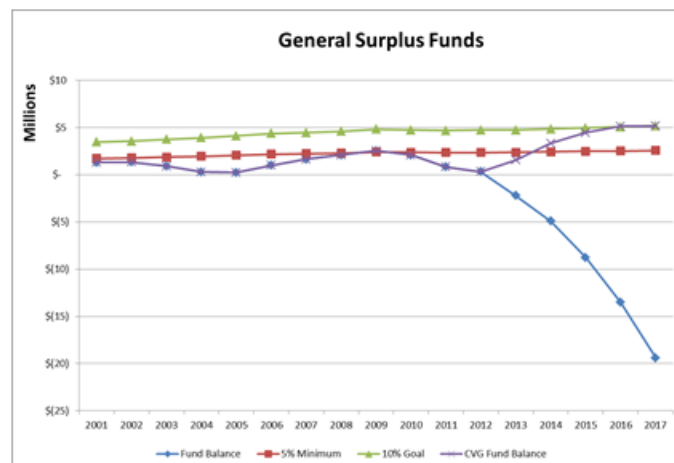
Furthermore, we will commit to using the increased tax revenues from these new businesses in 2012 to reduce the rate for all taxpayers. Accordingly, for every business that relocates to Covington by the end of this year, we will use those revenues to reduce the tax rate starting January 1, 2013 for all businesses in the city. That way we all have an incentive to help bring in new businesses. We will also discuss with the Business Advisory Board, the potential of increasing the \$106,800 cap on the wages subject to the payroll tax. This will enable us to further reduce the rate for all businesses.

10. **We will** enhance our incentives to help fill our empty store fronts. Today we are packaging three programs and doubling their incentives, and with a new name—Covington's Revitalization Empowerment Zone (CREZ). Here's what it will do in our Center City:
  - 1) Provide a 50% rebate on payroll taxes from business occupants for buildings at least 50 years old that been "significantly vacant" for three years. To encourage more immediate action for 2012, we will extend this tax break from 5 to 10 years. This program was previously limited for existing businesses to 25% but we will expand it to the same credit as new businesses if they expand at least 50% of their space.

- 2) Provide a 100% match of rehab costs up to \$20,000 per unit for residential use on floors above our retail space in the Center City. This investment will be in the form of a 5 year forgivable loan. We will double the budget for this program in 2012 to \$200,000 in order to stimulate more work. We will look to find other partners or donors to participate in this program.
- 3) Provide an incentive for new businesses to fill up our empty storefronts with a \$500/month grant for one year. In order to demonstrate our commitment to the revitalization of Center City, the city will match the \$40,000 in CDBG funds and a \$20,000 grant from Duke Energy Foundation, another great partner who believes in the city, for a total of \$120,000 in available funding. We will also make this program available to existing businesses if they expand by at least 50% of their space.

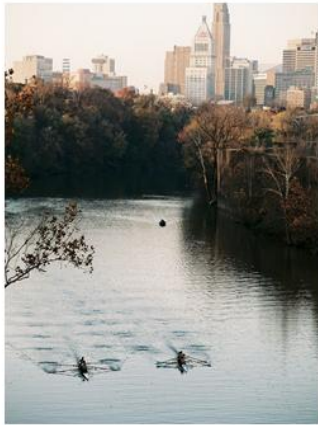
CREZ'y? No, we are willing to invest in those who are willing to invest in our city. Doubling these investments will pay huge dividends in the form of more residents, more activity and more jobs.

So let's go back to that gloom and doom chart of the next five years. By implementing **CVG** and estimating the impact of the 10 Point Action Plan, we will dramatically change the financial health and wellbeing of Covington as illustrated in this last graph (purple line). We not only reverse the trend of the last several years, but we can achieve the coveted goal of a 10% surplus fund—the hallmark of a truly healthy city!



## OUR GREAT POTENTIAL

Before I conclude my remarks, I'd like to highlight some of the positive activities and assets of the city that help to illustrate our Great Potential:



Let's start with our rivers – We don't just have one but two beautiful rivers that form a good part of our border. But let's not think of them as dividers. Rather the rivers connect us as neighbors and in exciting ways. Projects like Southbank's Riverfront Commons and Vision 2015's Licking River Greenway are going to bring us closer together to the beauty that these rivers represent.

Riverfront West, even as underdeveloped as it is, may be the most valuable stretch of real estate in the Midwest. I love what Cincinnati is doing on the Banks. Those are the kinds of amenities that are within walking distance of our urban core which enhance our daily lives.

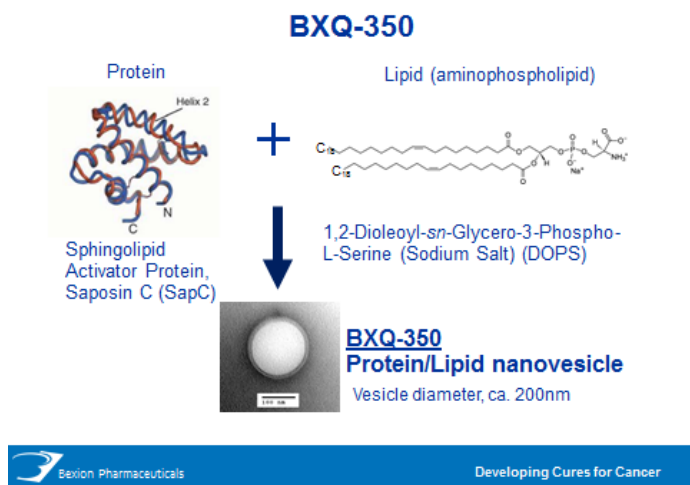


Recently, I met with Cincinnati's Mayor Mark Mallory and he, too, believes Covington has important assets that are truly regional. We pledged to work together on issues that impact all of us, and try to find ways to recruit more businesses from outside our immediate area. Plus I told him we have the best view of his city.



Covington has the potential to become a Center of Innovation. In business, innovation is the catalyst for growth, including attracting new businesses and creating jobs. We already have

high tech companies like C Forward, Valley Forge Composite Technologies and Systems Insight, Inc. And we have an emerging life science corridor based on Russell Street. bioLOGIC, Covington's life science accelerator currently houses seven life science companies, including one near and dear to my heart, Bexion Pharmaceuticals. Additionally, a dozen or so entrepreneurial life science companies are considering a move to Covington when bioLOGIC completes its building renovation on Russell Street.



In early December, I presented a proclamation to Covington Latin School upon the dedication of the \$4 million addition to their campus on Madison Avenue. Bishop Foys is to be thanked and congratulated for his personal commitment to “invest” in the urban core despite urgings to move to the suburbs.





Oakley and Eva Farris also deserve a big thank you not only for their generosity to the school but also their support of the arts and education. There are three other statues around the city that are the result of their direct contribution - General Covington (at Latin School), Abraham Lincoln (at the KC Library), Frank Duveneck (at the end of short Pike) and Andrew Carnegie (at the building that bears his name). These are wonderful expressions of art and also honor great people who had a connection to Covington. Oakley always



says that he doesn't give money away, he "invests." Studies show that an investment in the arts, for example, brings back \$20 (for every dollar invested) to the community.

Gateway Community College is poised to make a major commitment to develop an urban campus in Covington which will bring life, vitality, and much needed educational programs directly to the inner city which will lead to more jobs and fewer empty storefronts. Dr. Ed Hughes believes they will grow to 5,000 students.





The non-profit catalytic fund led by Jeanne Schroer is at the cusp of hitting the launch-point of \$10 million. Those monies will lead to projects in the urban core of over \$100 million which ultimately will bring new energy, new residents and new jobs. Bill Butler, the visionary leader of Corporex, who invested in Covington when no-one else would take the risk, committed the first \$1 million to this non-profit entity. Thanks, Bill, for your continuing commitment to, and love of Covington.



We should celebrate our diversity within the city, and while we have one of the only human rights ordinances in our region, we need to do more to welcome diversity whether it is ethnic, social, economic, religious or sexual orientation. Diverse communities are healthy communities.



These pictures depict a project involving a diverse group of our students painting a mural in the Helentown neighborhood last summer, including a young man that I am mentoring at Holmes High School. It was another great example of a community project, in this case funded by the Haile Foundation, a great friend of Covington.

I like to think of the city as a mosaic of fine but distinct colors. The neighborhood signs made out of mosaic tiles that are scattered throughout the city are not only beautiful, but tell a story of the richness of our character and the pride we all take in our respective neighborhoods. But at the center is the blend of all of these distinct and diverse colors to create the heart and core of this city we all love—Covington.



One last story before I conclude. The other day I met Tess and Chris Burns. They are a young couple who see the potential of Covington. Chris is a chef who trained under John Robert and wants to open a “farm-to-table” contemporary restaurant in the city. Tess is a graphic designer who wants to open a 21<sup>st</sup> Century general store with an emphasis on Covington-based products. She also leads the Awesome Collective, a group of individuals who want to celebrate and promote Covington’s excellence, uniqueness, authenticity, and share their sense of excitement about the city. It’s that type of “unbridled spirit” (to steal a slogan) that is the future of Covington. Tess and Chris are here tonight so let’s re-energize them: You’re Awesome!



We have the potential to achieve greatness. I realize my tenure as Mayor will end on December 31, 2012. But this is not my plan; this is the plan of a unified commission. More importantly, this needs to become “Our Plan” as a community. My mission, when I took on this challenge, was to work collaboratively to help solve the long-standing problems so that the future leadership will be able to continue to build our city from good to great. I believe the **CVG** plan accomplishes this objective.

As I mentioned, we are committed to visiting each neighborhood organization in the coming months to listen to our fellow citizens and to answer any questions. A copy of this State of the City presentation will be available on the City’s website. We promise transparency in the execution of this plan by communicating openly and honestly the findings of the independent reviews and our progress on the **CVG** 10 Point Plan outlined tonight.

In closing, I want to make two personal pleas. I started the presentation tonight by saying that virtually everyone I run into asks what can they do.

First - Be a mentor. Studies show that students who have a mentor improve academic performance, behavior and attendance in school by a significant margin. My wife Julie is a mentor and she urged me to be a mentor, too – at Holmes High School. Superintendent Lynda Jackson told me they could use 400 more mentors. So, I offer this challenge—be a mentor. I assure you that if you mentor one student, it will change two lives. All you have to do is be there to listen and guide. It’s an investment that all in our community should be willing to make.

Second plea - Be a salesperson for Covington. Let folks know where you live and work. We will be passing out pins of the city and buttons that display our formula for success - **CVG**. Wear them proudly and be an ambassador for Covington!

I’d like to give thanks tonight to Donna, Jim and Scott Salyers and Guy Van Rooyen of The Madison as they have donated the space and the refreshments for tonight. Also, MAC Productions for all the AV equipment and a special thanks again our friends at Landor for adding visual excitement to our **CVG-10 POINT ACTION PLAN**.

And finally, thank you all for your attention tonight. Thank you for your love and support of this city. I love what Commissioner Masters said on the day of my swearing in—“Today we are not Democrats or Republicans, we are all Covingtonians!” Working together we will achieve **CVG** and make Covington a Great City!!

Thank you.

Chuck Scheper  
Mayor  
Covington, KY  
January 31, 2012

# 10 POINT ACTION PLAN

1. **We will** build a stronger public/private partnership.
2. **We will** conduct independent reviews of all areas of city operations.
3. **We will** get the three union contracts settled.
4. **We will** implement a zero-based budget.
5. **We will** think regionally and consider shared services or privatization if there is a significant cost/benefit.
6. **We will** get optimum value out of the city owned properties to fund infrastructure.
7. **We will** make it easier to do business with the city.
8. **We will** form a marketing team to help brand and market CVG.
9. **We will** reduce our payroll tax rate.
10. **We will** enhance incentives to help fill our empty storefronts.

**Questions? Contact: [CVGvoices@covingtonky.gov](mailto:CVGvoices@covingtonky.gov)**

